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MANPOWER[®] INC.
ANNUAL REPORT 1961

ANNUAL MEETING

The annual meeting of stockholders of the Company will be held at 2:30 p.m. on Wednesday, November 8, 1961, at the office of the Company at 820 N. Plankinton Avenue, Milwaukee, Wisconsin. Notices and proxies for this meeting were mailed to stockholders about October 10.



1961 HIGHLIGHTS

	YEAR ENDED JUNE 30,	
	1961	1960
TOTAL SALES BY COMPANY AND LICENSEES	\$37,444,319	\$35,240,985
By company offices.....	19,711,519	19,303,835
By licensees.....	17,732,800	15,937,150
SALES OF SERVICES AND INCOME FROM LICENSEES*	\$20,860,095	20,394,773
Earnings before income taxes.....	1,622,704	1,307,739
Net Earnings.....	848,721	721,657
Per share of common stock.....	1.41	1.20
Dividends paid per share of common stock.....	0.40	0.30†
NUMBER OF EMPLOYEES		
Permanent staff.....	435	463
Temporary employees.....	130,000	122,000
NUMBER OF OFFICES	249	220
Company owned.....	68	66
Licensed.....	181	154
NUMBER OF CUSTOMERS	70,109	65,797

*represents branch office gross sales and franchise fees.

†represents dividend payment for three quarters,
since stock issue date was 9/29/59.

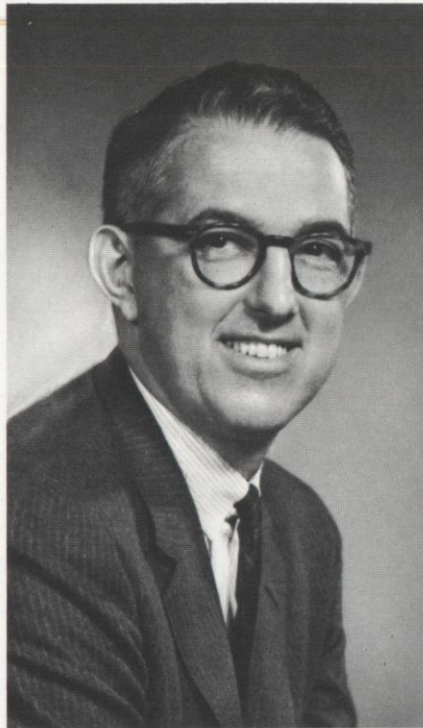
MANPOWER[®] INC.

World Headquarters: 820 N. PLANKINTON, MILWAUKEE 1, WISCONSIN
Telephone: BRoadway 2-8500

This report has been prepared for the benefit of shareowners, customers, employees and all others having an interest in the performance of Manpower, Inc. It is not prepared in connection with, or to induce, any sale or purchase of securities.

Common stock transfer agent: First National Bank of Chicago
Common stock registrar: City National Bank and Trust of Chicago

**TO OUR
SHAREOWNERS,
CUSTOMERS,
EMPLOYEES
AND FRIENDS...**



ELMER L. WINTER,
President



AARON SCHEINFELD,
Chairman of the Board

We are pleased to report that in fiscal 1961 Manpower Inc. completed its best year. New records were established for sales, earnings, number of temporary employees, and number of customers served.

How this result was achieved is told in this report. We have also tried to present the philosophy of management which permeates the entire organization and which has carried Manpower to the position of leadership it holds today.

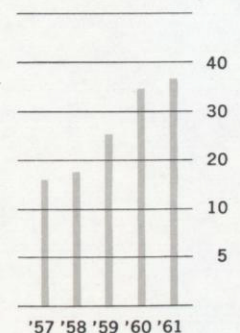
Growth, or forward progress, might well be the theme of this report to stockholders, employees, customers and friends of Manpower, Inc. Perhaps an overworked word, "growth" still sums up what we believe in.

We have grown to 249 offices in the past fiscal year, more than tripling the 75 offices we had in 1956, a short five years ago. Expansion is expected to continue over the next five years at an average rate of three new offices per month. It is anticipated that most of this expansion will be in franchised offices requiring no capital, rental or maintenance outlays by the company. Present plans call for one or more offices in every city in the United States with a population of 50,000 or more, and where there is sufficient industry to use the company's services. Foreign expansion is also expected to continue at a steady rate. Today, 17 overseas offices are located in 13 countries outside the United States and Canada.

Combined gross sales of both branch and franchise offices have likewise more than tripled in the past five year period, from \$11.4 million in 1956 to \$37.4 million in the fiscal year just completed. Much of this growth is due to diversification through the addition of new services. Significant future growth is also envisioned from

**TOTAL SALES
BRANCH AND FRANCHISE**

In Millions of Dollars



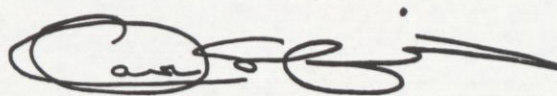
increased penetration of already established markets as well as from new customers. Several organizational changes have been made in order to allow more concentration on national accounts and target industries which offer potential for more complete usage of Manpower services.

Earnings have advanced even faster than sales. Current earnings of \$1.41 per share are more than three times the annual earnings of 39¢ per share in 1956. This has been accomplished in spite of the recent general business recession when most firms were reporting decreased earnings. Much of the credit for this substantial earnings increase must rightly go to the field and home office employees who judiciously applied solid management thinking to the operation of the business and who managed their individual offices with concern for both sales and profit improvement. Other favorable factors contributing to this record performance were our strategic location of offices and our established and growing reputation as a result of our repeated contacts with thousands of business firms. A successful marketing and promotional program, offering an extensive range of services, administered by a young and capable management team, were likewise responsible for the very favorable earnings picture.

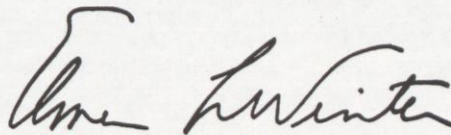
We are confident about the future of Manpower, Inc. We will continue to add new offices, new services and to diversify in order to continue to bring to stockholders the level of earnings they deserve, to customers the quality and variety of services they need, and to employees the financial and personal opportunities they earn.

We would like to publicly express our gratitude to our loyal family of employees, both permanent and temporary, who have worked untiringly to provide the high quality of service which has been instrumental in the growth of the Company.

Sincerely,

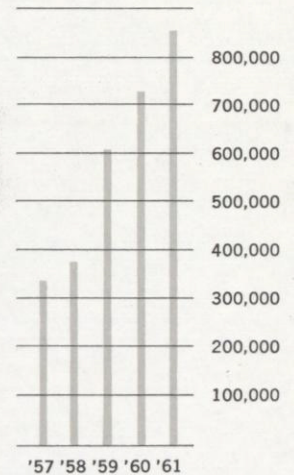


AARON SCHEINFELD
Chairman of the Board



ELMER L. WINTER
President

**EARNINGS
AFTER
TAXES**



THE YEAR IN REVIEW

The concept behind Manpower's growth is simple, and yet basic to business. Maximum efficiency results when work levels and staff are matched exactly. To accomplish this, Manpower recommends maintaining permanent staff at normal minimum work load levels, and meeting peak load requirements through the use of its staff of temporary help until the peak condition has been met.

In the fiscal year 1960-61, as most firms were experiencing rising costs and decreasing profits, the Manpower concept met with acceptance greater than ever before by providing these firms with a technique of controlling overhead expenses while still getting the job done.

The use of Manpower's "instant staff," which can be turned on when needed and turned off when the need has been met, became even more firmly established on the American business scene.

Diversification of services within the Manpower organization was also an important growth factor in the last fiscal year. The use of our own printing plant, acquired in February, 1960, made possible the improved production of advertising and promotional material for our offices and provided an additional revenue source, since the increased capacity is used to handle outside work. It is anticipated that our entry into the travel field through Travepower, Inc., a natural supplement to the services offered by Manpower, will expand rapidly and will prove to be a growing income source in the future.

There is also a growing expansion of the services offered by the separate operating divisions. For example, through the combined efforts of Salespower, Inc., and Merchandising Services Division, comprehensive marketing programs are developed encompassing all the distribution, promotional, and sales services necessary to move a product from the manufacturer to its ultimate purchase by the consumer.

SALES

In fiscal 1960-61, more customers used Manpower services than ever before, more temporary workers were employed to perform these services, and more services were offered to business in more cities than in any previous year. The result was a fiscal year in which both Manpower's earnings and sales reached the highest level in its history.

Responsible for this impressive sales year in spite of generally depressed business conditions is an effective national sales program, put into action at the local level, but with an ever-increasing selling effort being aimed at national business.

The bulwark of the Manpower selling organization is the field branch and franchise management team, supervised by a group of regional managers, who travel between field offices on a periodic basis, working with the local management team on the further development of their office performance.

To supplement the activities of regional managers is a rapidly expanding team of area managers. They are all field branch managers who, because of their proven ability, have been given the added responsibility of supervising offices in their immediate area. This makes possible more frequent management contact with field offices, since the area manager is geographically headquartered within his territory and has fewer offices to supervise than a regional manager. This concept which was introduced last year for the first time, met with immediate success, and was expanded considerably this year with the promotion of 12 field personnel to this new position. This move has further allowed regional managers to delegate certain responsibilities, thereby freeing them to concentrate more on overall results and to develop specialized programs for individual offices.

As a result of Manpower's background experience in the organization and implementation of national programs, as well as the unique coverage



OFFICE DIVISION services are used by both large and small businesses, and are performed by Manpower employees either on the customer's premises or in Manpower offices. Work can be on an hourly, piece-work, or a contract basis. A complete range of services includes typing, stenography, filing, general office, switchboard, calculating, invoicing, bookkeeping, key punch, tabulating and many other commonly performed office operations.

afforded by the vast network of offices throughout the world, increased emphasis is being focused on the development of national business.

Significant further growth is also envisioned from increased penetration of already established markets as well as from new customers.

OFFICE DIVISION

When the West Coast branch of a large insurance company recently consolidated its company files in two California cities, it called on Manpower Inc. to do the job. From us, they leased rather than hired the necessary staff — 100 file clerks, completely tested and screened, plus two supervisors — on only forty-eight hours notice.

Services such as this, plus the full range of stenographic, secretarial and other services normally associated with office work, make up the scope of the office division.

This division constitutes the "bread and butter" of the Manpower organization since percentage-wise, the largest sales volume originates from the providing of office services. Office division services will continue to contribute heavily to Manpower's sales volume for many years to come largely due to the universal need by all companies. Another contributing factor is the proportionately increasing growth of office staffs, while production staffs decrease as a result of mechanization of production facilities. Nationally, for example, the U. S. Dept. of Labor reports that the number of women clerical workers rose from 2.5 million in 1940 to 6.5 million in 1960.

There are numerous other favorable factors which work to the advantage of Manpower offices as a result of affiliation with an internationally recognized corporation. These advantages include the ability to locate, bid on, and handle programs of national scope for companies with offices or plants in many parts of the country. There are economies achieved by national printing, mailing and mailing list maintenance; accounting and publicity performed on a national basis; the sharing of know-how among offices; and the cross-referral of business leads from one office to another.

Taking advantage of these favorable factors, considerable sales and promotional effort is being concentrated on the development of increased office division volume.

INDUSTRIAL DIVISION

The industrial division promotes the use of Manpower employees for manual jobs such as materials handling, inventory taking, stock shipping and receiving, house and factory maintenance and disaster clean-up.

Industrial services will continue to grow. An increasing use is being made of industrial services on a contract basis.

For example, a large midwestern firm had been using its own employees on a volunteer basis to take inventory when the plant closed for its annual summer vacation. In recent years, they had difficulty getting enough volunteers. This year, the complete inventory taking responsibility was turned over to Manpower. Using a workforce of 285 inventory takers and 45 supervisors to handle the complicated assignment, the inventory was completed in record time. The firm saved several thousand dollars in labor costs and was relieved of the myriad of details necessary to staff-up to meet the overload condition.

Some of the most important advantages of temporary help, particularly in the industrial field, are indirect.

A Chicago warehouse used Manpower temporary help for two years and reduced its unemployment compensation rating from 2.7 to 0.5 per cent on a greater than \$3 million payroll. The reduction: \$75,000 a year; the cost of the temporary help: \$50,000 a year; the direct saving: \$25,000 a year.

MERCHANDISING SERVICES DIVISION

The scope of this division's operations, which involves providing assistance to companies with special marketing problems, is illustrated by a project conducted for a food company in the demonstration of one of their products.

To promote and sell this product, 2,600 Manpower employees provided more than 48,000 hours of demonstrating services on a nationwide basis to set up, display and sell the product in hundreds of supermarkets throughout the country. Manpower field management was briefed fully in all aspects of the operation, down to the minutest detail.

The results were a coordinated, uniform, and successful promotional effort on a national basis which would have been virtually impossible without Manpower services.

During the year, promotional activity of other merchandising services was stepped-up. Staff was added in both the home office and the New York area in order to handle the increasing business volume. Meetings were held throughout the country before groups of advertising, marketing, and sales promotion personnel to pinpoint the specific application of merchandising services to marketing programs.

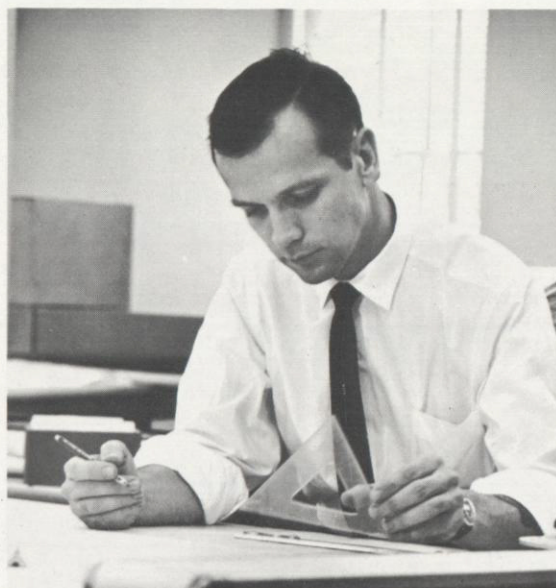
As competition leads more firms to seek greater product distribution and sale at a lower cost, it is anticipated that the merchandising services division will continue to rapidly expand its scope of operations.

SALESPower INC., a new dimension in selling, provides the client with a fully experienced sales organization of all sizes—from one to fifteen thousand—to assist him in special programs requiring concentrated sales effort. New product introduction, market saturation programs, demonstrating and selling, strengthening weak markets, store detailing, establishing new distribution ships, intensifying sales effort in support of national advertising, seasonal sales programs, and telephone merchandising are illustrative of Salespower services performed regularly for clients.

MERCHANDISING SERVICES make available to marketing management such highly specialized services as product demonstration, mystery shopping programs, survey interviewing, circular and sample distribution services, as well as personnel for trade shows, conventions and other meetings. Manpower coverage and scope of services is unduplicated by any other firm engaged in providing merchandising services.

INDUSTRIAL DIVISION
employees perform an ever increasing variety of assignments, including assembling, packing, factory, production, shipping, maintenance and warehouse work, loading and unloading, salvage work and all other services required when peak periods create production problems. All employees are carefully screened to insure maximum adaptability to all work situations.





SALESPower, INC.

Dramatic changes are currently taking place in marketing circles as more and more companies seek more product exposure.

In increasing numbers, firms are experiencing the need for a supplementary sales force, which can be used for special projects requiring maximum sales impact on as many markets as possible.

Able to call on 15,000 experienced salesmen on short notice, Salespower, Inc., a wholly owned subsidiary of Manpower, Inc., is providing the answer to this marketing problem. It provides a unique service to all firms wishing to sell on a national or regional basis.

Through its network of field offices, Salespower is in an unusually sensitive position, having, in effect, 249 "listening posts" from which it acquires information on market trends and the specialized marketing problems of many industries. Salespower brings this marketing experience and knowledge into play in the designing of specific programs for clients, working with them to avoid costly mistakes in marketing strategy.

This network of offices also provides the client with local supervision, an additional insurance that each marketing area is performing at maximum effectiveness.

Salespower is thus uniquely equipped to handle new product introductions, seasonal selling campaigns, "blitz" sales programs, special campaigns for expanding sales within key areas or building sales within weak markets.

In the past year, Salespower has helped firms market over 150 different products ranging from bubble gum to a newly developed crab grass killer.

Organizationally, Salespower expanded its staff with the addition of district sales managers in both the Chicago and New York markets. Plans have been formulated for the addition of district managers in other large North American cities.

TECHNICAL DIVISION

Responsible for the promotion of technically trained and experienced specialists in many industrial fields on a part-time or project basis, Manpower's Technical Division expanded as more offices across the country added Technical Divisions to the growing list of services offered to customers.

New promotional techniques were developed during the year. Increased attention was given to the development of special direct mail and sales programs to acquaint engineering departments with the services of this division.

Special luncheons were held in cities for chief engineers, where the technical division story was presented to them as a group, thereby maximizing the selling effort.

TECHNICAL DIVISION services are in demand where periods of heavy overload create a need for the temporary services of engineers, draftsmen, technicians, and professional workers. Technical Division employees are skilled in their field and generally have many years of valuable experience which they utilize in the performance of their work.

In April, Manpower unveiled the newly remodeled exterior of its world headquarters building to the public. The welded rod sculpture, designed by President Winter, is entitled "Crescimus". Translated from the Latin it means "We Grow" and symbolizes the history of Manpower's development.



MEISENHEIMER PRINTING COMPANY

During the fiscal year, the physical and production facilities of our own printing plant were completely remodeled.

The inventory, shipping, and production operation formerly located in the Manpower home office was centralized in the Meisenheimer plant.

New printing equipment was purchased and put into operation in order to offer more complete printing facilities for the low-cost production of the millions of pieces of advertising and promotional material used by Manpower. The introduction of four-color direct mail material for the first time in Manpower's history was made possible as a result of the purchase of new equipment.

In addition, a wider range of facilities helped to increase the volume of commercial printing done for customers.

TRAVELPOWER, INC.

The major step in the expansion of Travelpower, Inc., was the acquisition, through an exchange of stock, of the Ulevich Travel Service, a successful travel agency operating in Milwaukee. This provided additional experienced personnel and facilities necessary to handle the division's rapidly expanding volume of travel business.

It is planned to expand the Travelpower operation to other offices and to include the provision of such supplementary business services as may be required for the foreign traveler visiting America.

BUSINESS TRAINING CENTER

Established originally in Milwaukee, the center is a business school, specializing in the principles and techniques of operating data processing and other electronic equipment. Classes are also offered in general office skills such as typing and shorthand as well as in the principles and procedures of automation accounting. A free aptitude testing program and placement service are offered for students in conjunction with the educational curriculum.

Plans were made during the year to expand the operation of this business training center to other cities, starting with St. Louis, where a training center was established in September, 1961.

NATIONAL BRANCH OFFICES

Purchased in January, 1961, this new division, located in Milwaukee, leases office space and facilities.

This service is especially suited to manufacturer's representatives and others who require office space away from their firm's headquarters without the large overhead outlay required to maintain a permanent office. Expansion to other cities is contemplated.

ADVERTISING

Over the years, Manpower has established itself as a strong marketing organization.

National advertising, directed to top corporate management, appears in such well-read media as *Fortune*, *US News and World Report*, *Time*, *Business Week* and the *Wall Street Journal*. Trade and professional publications are used to pin-point messages to specific industry groups.

Manpower's direct mail advertising program, one of the most extensive in industry, distributes more than 7,000,000 pieces of direct mail material to Manpower prospects and customers annually.

In recognition of the growing trend to decentralization, Manpower also prepares Special Reports for specific national companies showing where and how Manpower services are used by that company. These reports are a very powerful promotional tool for field management, having been prepared exclusively with a customer's problems in mind. The Special Report program won the Sales Promotion Idea of the Month award in the March issue of *Industrial Marketing*.

PUBLIC AND EMPLOYEE RELATIONS

Public relations at Manpower utilizes all media to tell the story of the forward progress of the organization to the general public and to provide employees with the information they want and need to know about the organization for which they work.

Publicity about Manpower appeared in a greater number of newspapers, trade and consumer magazines, and on radio and television programs than ever before. In addition, field management was supplied with a continuing flow of localized public relations programs designed to help them create a receptive climate in which the business can operate and prosper.

The publication in the April *McCall's* of an abridged version of the Simon and Schuster book "A Woman's Guide to Earning a Good Living," written by President Winter, followed by publication of the book itself in July, 1961, prompted the development of a series of comprehensive programs which resulted in a maximum publicity effort.

The Manpower Executives Easel art show, along with a newly developed Canadian exhibition, has been seen by more than 4,000,000 viewers.

Manpower has consistently believed in and has emphasized to its employees the value of taking an active part in the affairs of the community. A greater number of Manpower personnel than ever before held positions of responsibility in community, business and social organizations.

INTERNATIONAL

Expansion into foreign countries is continuing at a steady rate. New offices were opened in Amsterdam and Geneva, and an industrial division was opened in Paris — the only industrial division operating outside the United States and Canada.

Plans are currently underway for the opening of several additional European offices within the coming fiscal year as well as for the appointment of an Overseas Director who will be responsible for working with foreign offices on administrative and sales matters.

The Manpower overseas office is in a key position to help meet the needs of firms operating in the European Common Market as well as to serve as liaison point between American and European firms. In addition, the overseas office is in a unique position to assist firms considering overseas expansion through the provision of market surveys, translation and bi-lingual services, and serving as a temporary overseas office for the traveling business man.

OPERATION GOMI



MANAGEMENT IN ACTION

In May, 1961, Manpower, Inc., issued a ten-point suggested program to the nation's press and to more than 5,000 leading businessmen and 2,000 Chambers of Commerce across the country calling on businessmen to play a role in restoring business confidence, creating employment and initiating programs to boost the nation's economy from its temporary recession doldrums.

In June, in keeping with this philosophy, fifty one Manpower offices across the country were selected for OPERATION GOMI (Go, Manpower, Inc.) These key offices, the newest in the organization, were subjected to an intensive sales and promotional campaign. The objective: to concentrate sales, advertising and public relations effort in a one week "sales blitz" that would assure maximum impact on the community in an effort to help these offices get established more quickly.

Manpower executives, regional managers, area managers and branch personnel were assigned cities to visit. During GOMI week, more than 255 days of executive time were spent in these fifty-one offices, more than 1,000 sales calls were made, approximately 10,000 telephone sales calls were made on customers, more than 100,000 pieces of direct mail advertising material were distributed. Advertising schedules were revised to coincide with GOMI week, resulting in an intensive series of business-producing ads in national magazines being scheduled for that week. Speeches were made in the field by executives before civic and businessmen's groups. Special luncheons with key business leaders were held to explain Manpower's Controlled Overhead Program. Newspaper, radio and TV interviews were arranged. Special receptions were held for temporary employees.

Results quickly proved the value of the program. In most cities an immediate increase in sales was noted. Letters started to pour in from the field offices commenting on the value of the program and how it helped their office.

Operation GOMI illustrates Manpower management in action, utilizing every opportunity to provide the field with the selling tools and aids they need to tell and sell the Manpower concept to the community.

Home office management planning team for Operation Gomi included Mary O'Rourke, advertising manager; Robert Halfmann, regional sales manager; James Scheinfeld, vice president; Stanley Collins, public relations director; John Frank, executive vice president; and Elmer L. Winter, president.

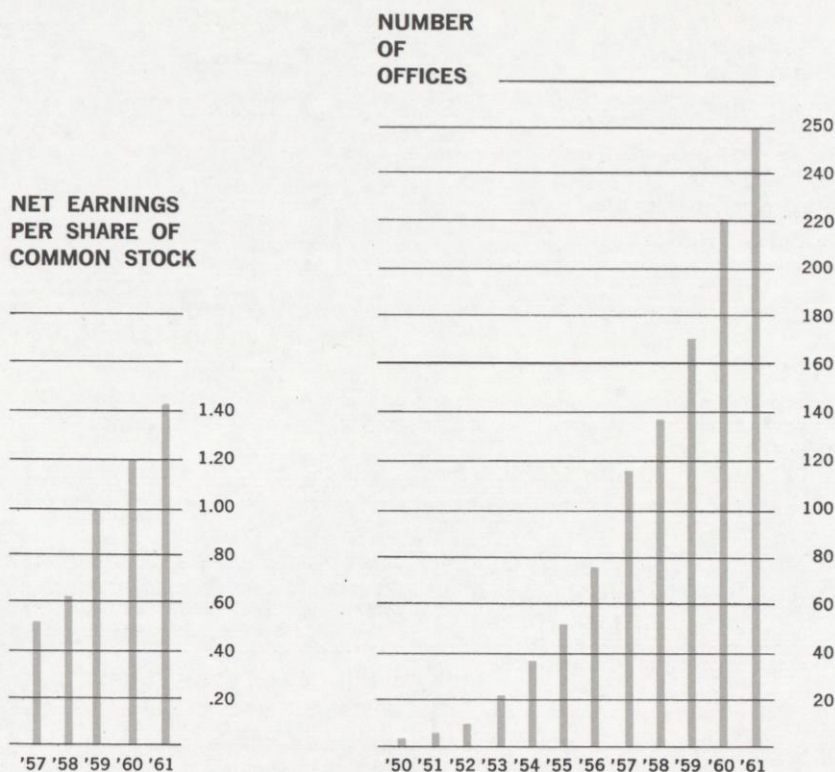
FINANCIAL REVIEW

Readers of financial statements sometimes too hurriedly skim over the financial pages. This is unfortunate, for they contain some of the most significant information available about a company. From the six year statistical analysis, for example, one is able to obtain an indication of how the company's management is able to cope with different economic conditions — the 1958 business slowdown or the 1960-61 recession.

It is our hope you'll spend some time looking over the following pages of financial data and figures. They have been included to give you a well-rounded picture of Manpower's performance.

By way of summary, for the fiscal year ended June 30, 1961, Manpower net earnings rose 17.6 per cent to \$848,721 or \$1.41 a common share, up from \$721,657 or \$1.20 a share a year ago. As you will note, the control of administrative, general and branch expenses was a significant factor in this earnings increase.

In the balance sheets, you will see that our investment in property, plant and equipment is proportionately less than that of most corporations. People, and the services they perform, make up the brick and mortar of Manpower. They should rightly be listed under assets on the balance sheet, were it only possible to place a realistic figure on their value.



CONSOLIDATED BALANCE SHEETS

ASSETS

	JUNE 30	
	1961	1960
CURRENT ASSETS		
Cash.....	\$1,336,944.57	\$1,135,892.01
Marketable securities — at cost (approximates market)	276,204.27	22,150.73
Trade receivables.....	2,081,090.12	2,191,712.12
Less allowances.....	63,750.00*	62,546.67*
Prepaid supplies, insurance, and expense.....	259,011.89	282,667.74
TOTAL CURRENT ASSETS	\$3,889,500.85	\$3,569,875.93
OTHER ASSETS		
Sundry accounts and advances.....	52,884.33	29,788.74
PROPERTY, PLANT, EQUIPMENT — at cost		
Land.....	19,450.00	19,450.00
Building and improvements.....	47,488.48	32,550.00
Equipment.....	549,819.37	482,442.58
Less allowances for depreciation.....	174,509.26*	173,246.65*
Leasehold improvements, less amortization.....	82,204.56	18,374.51
INTANGIBLES ARISING FROM ACQUISITIONS OF SUBSIDIARIES — less amortization.....	117,439.81	41,914.60
DEFERRED CHARGES	28,604.64	36,437.86
	\$4,612,882.78	\$4,057,587.57

*Indicates deduction.

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A — PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of all subsidiaries, both domestic and foreign. Inter-company investments and accounts and inter-company transactions, profits, and losses have been eliminated in consolidating the financial statements.

At June 30, 1961, the Corporation's equity in net assets of the wholly-owned subsidiaries, both domestic and foreign, was \$2,055,320.58 greater than the cost of investment in the subsidiaries, which difference has been credited to consolidated retained earnings. The accounts of foreign subsidiaries, which in the aggregate were not significant, have been converted to U. S. dollars at the applicable rates of exchange.

NOTE B — CAPITAL IN EXCESS OF PAR VALUE

In April 1961, the Corporation issued 2,958 shares of its common stock in exchange for all of the capital stock of a newly acquired subsidiary. The excess (\$136,068.00) of approximate market value over par value of common stock issued in connection with the acquisition has been credited to capital in excess of par value.



MANPOWER INC.
AND SUBSIDIARIES

LIABILITIES

	JUNE 30	
	1961	1960
CURRENT LIABILITIES		
Notes payable — unsecured.....		\$ 57,500.00
Trade accounts.....	\$ 428,506.41	516,834.27
Salaries, wages, and commissions.....	138,422.85	326,787.24
Pay roll taxes and amounts withheld from employees....	394,767.34	411,828.19
Domestic and foreign income taxes.....	753,762.99	595,352.33
Sundry.....	31,274.21	27,606.19
TOTAL CURRENT LIABILITIES	\$1,746,733.80	\$1,935,908.22
RESERVE FOR SELF-INSURANCE	18,320.27	21,184.77
STOCKHOLDERS' EQUITY — Notes B and E		
Common Stock — \$1.00 par value — authorized 1,000,000 shares; issued and outstanding: 603,250 shares — 1961; 600,292 shares — 1960.....	603,250.00	600,292.00
Capital in excess of par value.....	136,068.00	
Retained earnings.....	2,108,510.71	1,500,202.58
CONTINGENT LIABILITY — Note C		
	\$4,612,882.78	\$4,057,587.57

NOTE C — CONTINGENT LIABILITY

The Corporation was guarantor on loans aggregating approximately \$79,000.00 at June 30, 1961.

NOTE D — LEASE DATA

All of the corporations, except one, operate in rented quarters. Except for the lease covering space in Milwaukee, Wisconsin, which expires in 1978 (annual cost approximately \$54,000.00) the leases expire at various dates prior to December 31, 1966. For the year ended June 30, 1961, lease rentals totalled \$233,643.84.

NOTE E — SUBSEQUENT EVENT

In August 1961, the Board of Directors voted, subject to shareholder approval, to amend the Corporation's Articles of Incorporation to provide for an increase in its authorized common stock from 1,000,000 shares with a par value of \$1.00 to 1,500,000 shares with a par value of \$.66-2/3 and in connection therewith split the Corporation's common stock on a three-for-two basis by distributing one additional share for each two shares outstanding at the effective date.

MANPOWER[®] INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

	YEAR ENDED JUNE 30	
	1961	1960
INCOME		
Principally from sales of services and income from licensees.....	\$20,860,095.02	\$20,394,772.88
COSTS AND EXPENSES		
Cost of services sold — principally labor, pay roll taxes, and workmen's compensation insurance.....	14,991,723.38	14,767,733.77
Administrative, general, and branch expenses.....	4,167,250.58	4,264,160.02
Provision for depreciation and amortization.....	78,416.69	55,140.24
	<u>19,237,390.65</u>	<u>19,087,034.03</u>
EARNINGS BEFORE INCOME TAXES	1,622,704.37	1,307,738.85
INCOME TAXES		
Federal, British, Canadian, and French.....	717,711.11	528,768.92
State and other.....	56,272.53	57,312.45
	<u>773,983.64</u>	<u>586,081.37</u>
NET EARNINGS	<u>\$ 848,720.73</u>	<u>\$ 721,657.48</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Balance at beginning of year.....	\$ 1,500,202.58	\$ 958,632.70
Add net earnings for the year.....	848,720.73	721,657.48
	<u>2,348,923.31</u>	<u>1,680,290.18</u>
Deduct cash dividends paid — \$.40 a share in 1961; \$.30 a share in 1960.....	<u>240,412.60</u>	<u>180,087.60</u>
BALANCE AT END OF YEAR	<u>\$ 2,108,510.71</u>	<u>\$ 1,500,202.58</u>

See notes to consolidated financial statements.

ACCOUNTANTS' REPORT

Board of Directors,
Manpower, Inc.
Milwaukee, Wisconsin.

We have examined the consolidated balance sheet of Manpower, Inc. and subsidiaries as of June 30, 1961, and the related consolidated statements of earnings, capital in excess of par value, and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously made a similar examination for the year ended June 30, 1960.

In our opinion, the accompanying balance sheet and statements of earnings and retained earnings present fairly the consolidated financial position of Manpower, Inc. and subsidiaries at June 30, 1961, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Milwaukee, Wisconsin,
August 23, 1961.

ERNST & ERNST

A SIX YEAR STATISTICAL SUMMARY

	YEAR ENDING JUNE 30					
	1961	1960	1959	1958	1957	1956
INCOME						
Sales of services by Manpower, Inc. and combined subsidiaries and income from licensees.....	\$20,860,095	\$20,394,773	\$14,947,904	\$11,872,379	\$12,422,578	\$8,960,319
COST AND EXPENSES						
Cost of services sold — labor, payroll taxes, and workmen's compensation insurance.....	14,991,724	14,776,722	10,874,445	8,653,869	9,271,969	6,806,661
Administrative, general, and branch expenses.....	4,167,251	4,264,160	2,974,879	2,511,195	2,492,881	1,716,350
Provision for depreciation and amortization.....	78,416	46,152	34,815	32,097	29,821	21,385
	\$19,237,391	\$19,087,034	\$13,884,139	\$11,197,161	\$11,794,671	\$8,544,396
EARNINGS BEFORE INCOME TAXES	1,622,704	1,307,739	1,063,765	675,218	627,907	415,923
INCOME TAXES						
Federal, British, Canadian, and French.....	717,711	528,769	429,970	271,653	283,713	176,080
State and Other.....	56,272	57,313	32,869	17,015	15,856	3,310
	773,983	586,082	462,839	288,668	299,569	179,390
NET EARNINGS	\$ 848,721	\$ 721,657	\$ 600,926	\$ 386,550	\$ 328,338	\$ 236,533
PER SHARE OF COMMON STOCK Note (1)						
Net Earnings.....	\$1.41	\$1.20	\$1.00	\$.64	\$.54	\$.39
Dividends paid.....	.40	.30	.21	.07	.04	.02

Note (1) Net earnings and dividends per share are stated on the basis of 603,250 shares.



OFFICERS



AARON SCHEINFELD
Chairman of the Board



ELMER L. WINTER
President



JOHN H. FRANK
Executive Vice President



JAMES D. SCHEINFELD
Vice President



VERNON D. PATTERSON
Vice President



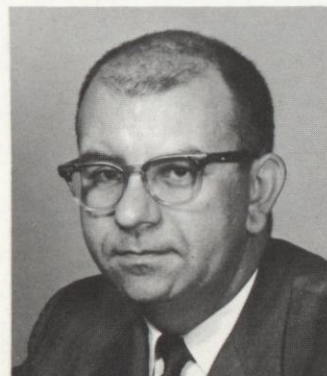
WILLIAM J. GALLAGHER
Vice President



RICHARD KRAUTHOEFER
Assistant Vice President



RICHARD GREEN
Assistant Vice President



MILTON BERLAND
*Controller and
Assistant Treasurer*



LOUIS E. SIDMAN
*Vice President,
Salespower, Inc.*



BEN ULEVICH
*Vice President,
Travelpower, Inc.*

DIRECTORS

AARON SCHEINFELD
Chairman of the Board
Manpower, Inc.
Chicago, Illinois

ELMER L. WINTER
President
Manpower, Inc.
Milwaukee, Wisconsin

MILTON H. COHEN
Partner
Dallstream, Schiff, Hardin, Waite & Dorschel
Chicago, Illinois

EDMUND F. FITZGERALD
Former Chairman of the Board
Northwestern Mutual Life Insurance Co.
Milwaukee, Wisconsin

VERNON D. PATTERSON
Vice President
Manpower, Inc.
San Francisco, Calif.

JAMES D. SCHEINFELD
Vice President
Manpower, Inc.
Milwaukee, Wisconsin

SYLVIA SCHEINFELD
Highland Park, Illinois

JACK A. WINTER
President
Jack Winter, Inc.
Milwaukee, Wisconsin

NANNETTE R. WINTER
Milwaukee, Wisconsin

MANPOWER ON THE JOB....

SERVICES UNLIMITED...

OFFICE SERVICES

Accounting
Accounting Machine Work
Billing
Bookkeeping
Calculating
Cost Analysis
Filing
General Office and Clerical Work
Invoicing
Key Punching
Microfilming
Payroll Preparation
Photostating
Price List Revisions
Receptionists
Secretarial Service
Stencil Cutting
Systems and Installation
Changeover
Switchboard Operators
Tabulating
Telephone Dictation
Transcribing
Typing

INDUSTRIAL SERVICES

Assembling
Cleaning and Maintenance
Factory Work (Men and Women)
General Labor
Inventory
Physical Counting
Calculating
Extending
Landscape and Yard Workers
Loading and Unloading
Materials Handling
Moving Office Equipment
Packing
Production Line Work
Receiving
Shipping
Snow Removal
Stockroom
Warehouse

SALESPower SERVICES

"Blitz" Sales Programs
Bolster Weak Markets
Expand Product Distribution
Market Saturation
New Product Introduction
Promotional Campaigns
Seasonal Selling Campaigns
Telephone Merchandising

MERCHANDISING SERVICES

Circular Distribution
Comparison Shopping
Dealer Shopping
Demonstrators
Inventory Control Checks
Premium Handling
Questionnaire Tabulating
Sample Distribution
Special Promotions
Stock Control
Survey Interviewing

TECHNICAL SERVICES

Architects
Architectural Draftsmen
Chemists
Draftsmen
Engineering
Laboratory Technicians
Time Study

CONVENTION & TRADE SHOW SERVICES

Booth Attendants
Booth Erecting and Dismantling
Demonstrators
Mailing Service
Models
Order Takers
Registration Clerks
Stenographic Service
Typists

BRANCH OFFICE SERVICES

Appointments Made
Desk Space
Mailing Address
Messages Forwarded
Reception Service
Semi-Private Offices
Telephone Answering

MAILING SERVICES

Addressing
Collating
Duplicating
Inserting
Lists Compiled and Maintained
Premium Handling and Mailing



